

MORNING HIGHLIGHT

FROM EQUITY RESEARCH

FY15 Result:

- **Consumer:**
 - GGRM: reported above-consensus FY15 earnings
 - ROTI: reported strong 4Q15 earnings with improved margins
- **Healthcare:**
 - KLB: FY15 Result - Audited results came with just minor changes, overall is inline
 - MIKA: FY15 Result - Higher opex in 4Q15, yet overall performance is inline
- **Property:**
 - SMRA: Margin hit by the higher interest expense
- **Retail:**
 - ACES: FY15 Result - Operationally inline
 - MAPI: FY15 Result - Profitability remained the challenge
 - RALS: FY15 Result

MARKET NEWS

*Analysts' comment inside

- JSMR: 10% right issue might be an option (ID)
- PLN delays 8GW coal-fired power plants, opts for renewable (TJP)
- Regulatory, logistics reform needed to propel auto industry (TJP)
- Transport cost to fell by 3% (BI)

Previous Reports:

- FY15 Result on consumer and property-[Snapshot20160330](#)
- Indofood CBP – FY15 Result, Indofood – FY15 Result-[Snapshot20160328](#)
- Cement: A boost from slag cement-[Snapshot20160324](#)
- HMSP: Quality but at a high price-[Snapshot20160323](#)
- KINO: Exploiting niche markets-[Snapshot20160321](#)
- INTP: Pressure on pricing to persist, PTBA: The Preeminent coal specialist-[Snapshot20160318](#)

IDX ANNOUNCEMENT

Cash dividend

Code	Ex-Date	Date Payable	Amount (Rp)
SDPC	31-Mar-16	22-Apr-16	3
BBRI	1-Apr-16	22-Apr-16	311.661

Corp Action

Code	Action	Date	Time (WIB)
JPFA	AGM-EGM	4-Apr-16	14
KAEF	AGM	6-Apr-16	14
INAF	AGM	6-Apr-16	--

Source: KSEI

Key Index

	Close	Chg (%)	Ytd (%)	Vol (US\$ m)
Asean - 5				
Indonesia	4,817	0.7	4.9	418
Thailand	1,410	1.3	9.5	1,645
Philippines	7,299	0.3	5.0	177
Malaysia	1,718	0.2	1.5	550
Singapore	2,873	1.9	(0.3)	883
Regional				
China	3,001	2.8	(15.2)	52,070
Hong Kong	20,803	2.1	(5.1)	9,778
Japan	16,879	(1.3)	(11.3)	10,416
Korea	2,002	0.4	2.1	3,514
Taiwan	8,737	1.4	4.8	2,709
India	25,339	1.8	(3.0)	384
NASDAQ	4,869	0.5	(2.8)	64,947
Dow Jones	17,717	0.5	1.7	6,440

Currency and Interest Rate

	Rate	w-w (%)	m-m (%)	ytd (%)
Rupiah Rp/1US\$	13,256	(0.6)	0.9	3.9
SBI rate %	6.60	0.0	(0.1)	(0.6)
10y Gov Indo bond	7.73	(0.0)	(0.5)	(1.0)

Hard Commodities

	Unit	Price	d-d (%)	m-m (%)	ytd (%)
Coal	US\$/ton	51	(0.4)	1.1	0.9
Gold	US\$/toz	1,227	0.2	(0.9)	15.6
Nickel	US\$/mt.ton	8,386	(0.3)	(1.2)	(4.5)
Tin	US\$/mt.ton	16,975	(2.3)	4.2	16.3

Soft Commodities

	Unit	Price	d-d (%)	m-m (%)	ytd (%)
Cocoa	US\$/mt.ton	3,043	0.0	1.2	(6.9)
Corn	US\$/mt.ton	139	(1.7)	4.1	4.1
Oil (WTI)	US\$/barrel	38	(0.7)	12.7	2.7
Oil (Brent)	US\$/barrel	39	0.3	9.1	5.3
Palm oil	MYR/mt.ton	2,670	0.7	8.9	21.4
Rubber	US\$/mt ton	130	0.1	16.2	10.4
Pulp	US\$/tonne	789	N/A	(0.2)	(1.7)
Coffee	US\$/60kgbag	101	(0.1)	0.2	(1.4)
Sugar	US\$/MT	454	0.3	11.7	7.6
Wheat	US\$/ton	126	(2.7)	2.4	(2.6)

Source: Bloomberg

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BUY

Target Price, Rp 2,045

Upside 10.2%

BSDE IJ/BSDE.JK

Last Price, Rp 1,615

No. of shares (bn) 14.4

Market Cap, Rp bn 22,939

(US\$ mn) 1,729

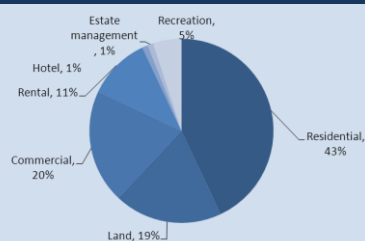
3M T/O, US\$mn 2.9

Last Recommendation

4-Sep-15	BUY	Rp2,045
6-Jul-15	BUY	Rp2,045

FY15 Result, A/F, % (Below)

	FY15, Rp bn	A/F, %
Revenue	5,624	97.8
Op. profit	1,768	96.9
Net profit	855	78.6

Key chart: Revenue breakdown**Danareksa vs. Consensus**

	Our	Cons	% Diff
Target Price, IDR	2,045	1,744	17.2
EPS 2015F, IDR	92	95	(3.6)
PE 2015F, x	17.3	16.7	3.7

PROPERTY/FY15 RESULT**Summarecon Agung****Margin hit by the higher interest expense**

Summarecon Agung (SMRA) booked lower than expected FY15 result, with 38.3% yoy decline in the net profits amounted to Rp855 bn. At the top line, sales were slightly down by 2.3% yoy to Rp5,624 bn from Rp5,757 bn in FY14. The result is relatively still inline with our full year expectation until the operating level, with significant increase in the interest expense during 2015. We will need to incorporate this result into our numbers, however, for the time being we maintain our BUY call on the company with Target Price of Rp2,045.

Topline was inline with expectation

SMRA booked Rp5.6 tn sales in FY15, slightly decreased by 2.3% yoy from Rp5.8 tn in FY14. With less products were handed over to the customer during the last quarter of the year, the sales recognition during the 4Q15 was significantly lower compare to its achievement in 4Q14 and 3Q15 (down by 46.6% yoy and 40.7% qoq). It should be noted that 71% of the sales was generated from development sales while the remaining 29% came from the recurring income. The contribution composition was relatively stable. The biggest contribution was coming from apartment sales, which accounted 29% from SMRA's total sales in FY15. The contribution followed by the housing sales (24.1%), mall and retail (21.0%), shophouses (17.0%), hotel (2.7%), and others (6.3%).

Margin squeezed in the bottom line

The gross margin was relatively maintained at 51.7% in FY15. If we compare the gross margin in FY15 to the performance in FY14, almost all business segments generated better gross margin. However, the major revenue contributor (apartment sales – 29.0% from total sales) booked lower gross margin of 45.8% in FY15, compare to 51.1% in FY14. With negative revenue growth, the opex to sales ratio was increased to 20.3% in FY15, still manageable in our view. This has resulted into lower operating margin by 470 bps to 31.4% in FY15. Moreover, cash flow has become an issue with slower marketing sales as well as customer's payment scheme, thus, the interest expense jumped significantly in FY15 amounted Rp483 bn. All in all, net margin was squeezed to 15.2% in FY15 compare to 24.1% in FY14.

Higher gearing

As SMRA continued to add more leverage, net gearing booked higher at 78% in FY15 compare to 48% in FY14. Gross debt were increased by Rp1.8 tn in FY15, reaching a total gross debt of Rp6.2 tn. With additional bond issuance during last year, SMRA maintained its cash position amounted Rp1.5 tn as of end December 2015.

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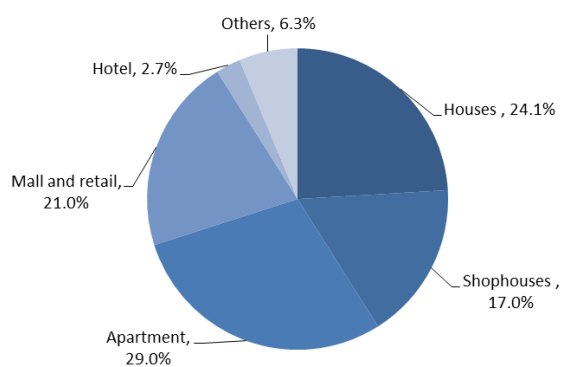
Danareksa research reports are also available at Reuters Multex and First Call Direct and Bloomberg.

	2013	2014	2015F	2016F	2017F
Revenue, Rp bn	4,094	5,334	5,751	6,889	7,429
EBITDA, Rp bn	1,510	2,049	2,031	2,392	2,555
EBITDA growth, %	35.3	35.7	(0.9)	17.8	6.8
Net profit, Rp bn	1,102	1,398	1,327	1,609	1,741
Core profit, Rp bn	1,102	1,395	1,329	1,603	1,733
Core EPS, Rp	76	97	92	111	120
Core EPS growth, %	38.2	26.5	(4.7)	20.6	8.1
Net gearing, %	(1.0)	48.9	44.0	27.9	27.9
Core PER, x	20.0	15.8	16.6	13.7	12.7
PBV, x	5.0	4.0	3.4	2.9	2.5
EV/EBITDA, x	14.6	9.4	9.4	8.3	7.6
Yield, %	1.4	1.5	1.9	1.8	2.2

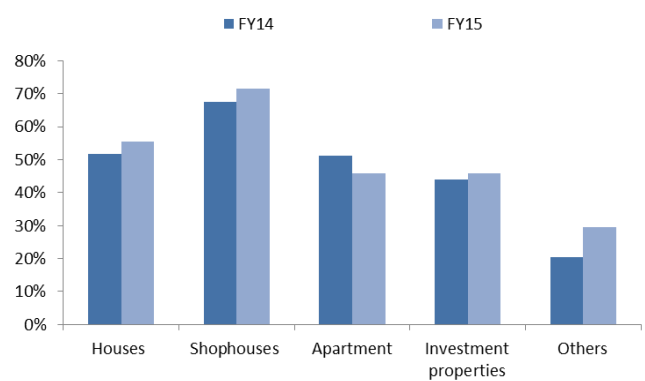
Exhibit 1. SMRA's FY15 Result (Rp bn)

Results (Rp bn)	2014	2015	yoy chg	4Q14	3Q15	4Q15	qoq chg	yoy chg	FY15F	% forecast
Sales	5,757	5,624	(2.3)	2,111	1,900	1,127	(40.7)	(46.6)	5,751	97.8
COGS	2,700	2,717	0.6	879	969	544	(43.8)	(38.1)	2,933	92.6
Gross profit	3,057	2,907	(4.9)	1,233	930	583	(37.4)	(52.7)	2,818	103.2
Operating expenses	980	1,139	16.3	331	263	312	18.5	(5.9)	997	114.2
Operating profit	2,077	1,768	(14.9)	901	667	271	(59.4)	(69.9)	1,821	97.1
Other income/(expenses)	(140)	(385)	175.2	(48)	(118)	(106)	(10.3)	121.4	(160)	240.4
Pre-tax profit	1,936	1,382	(28.6)	853	549	165	(69.9)	(80.7)	1,660	83.2
Net profit	1,385	855	(38.3)	501	278	48	(82.8)	(90.4)	1,327	64.4
Gross margin	53.1	51.7		58.4	49.0	51.7			49.0	
Opex to sales	17.0	20.3		15.7	13.8	27.7			17.3	
Operating margin	36.1	31.4		42.7	35.1	24.0			31.7	
Net margin	24.1	15.2		23.7	14.6	4.2			23.1	

Source: Company, Danareksa Sekuritas

Exhibit 2. Revenue breakdown

Source: Company

Exhibit 3. Gross margin breakdown

Source: Company

FY15 RESULT

GGRM reported above-consensus FY15 earnings

(GGRM IJ. Rp62,800. BUY. TP Rp 68,800)

- Gudang Garam (GGRM) reported strong 4Q15 net profit of Rp2.3tn (+69.7% yoy), which brought to FY15 net profit of Rp6.4tn (+18.8% yoy). This FY15 net profit was 12% higher than consensus' estimates and 17% above our FY15 forecast. On the top line, the company reported 4Q15 revenue of Rp19.3tn (+13.9% yoy), on the back of aggressive price increase by end of last year, we believe. This allowed the company to book FY15 top line of Rp70.4tn (+7.9% yoy). In our view, higher products' selling prices have supported the company to book FY15 margin expansion across the board.

FY15 Result	FY14	FY15	yoy	4Q14	3Q15	4Q15	qoq	yoy	%A/FY15F	%A/C
Revenue	65,186	70,366	7.9%	16,996	17,786	19,354	8.8%	13.9%	101.9%	98.0%
COGS	(51,806)	(54,880)	5.9%	(13,318)	(14,078)	(14,446)	2.6%	8.5%		
Gross Profit	13,380	15,486	15.7%	3,678	3,708	4,908	32.4%	33.4%		
Operating Profit	8,627	10,065	16.7%	2,450	2,564	3,595	40.2%	46.8%	115.5%	107.7%
Profit Before Tax	7,255	8,635	19.0%	1,826	2,279	3,140	37.8%	71.9%	117.5%	114.6%
Net Income	5,406	6,421	18.8%	1,363	1,705	2,314	35.7%	69.7%	117.2%	112.2%

Profitability						
Gross margin	20.5%	22.0%		21.6%	20.8%	25.4%
Operating margin	13.2%	14.3%		14.4%	14.4%	18.6%
Pretax margin	11.1%	12.3%		10.7%	12.8%	16.2%
Net margin	8.3%	9.1%		8.0%	9.6%	12.0%

Source: Danareksa, Company and Bloomberg

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ROTI reported strong 4Q15 earnings with improved margins

(ROTI IJ. Rp 1,207. Non Rated)

- Nippon Indosari (ROTI) reported strong 4Q15 bottom line of Rp78bn (+37% yoy), which led to FY15 net profit of Rp271bn (+43% yoy). This FY15 earnings were 4% above consensus' estimates. On the top line, the company reported solid 4Q15 revenue of Rp605bn (+16% yoy) due to the seasonality. Combined with soft raw materials' prices, the company booked improved margins across the board. By end of 2015, the company reported higher net margin of 12%.

Rp bn	FY14	FY15	y-y %	4Q 14	3Q 15	4Q 15	q-q %	y-y %	% A/C
Revenue	1,880	2,175	15.6%	519	530	605	14.1%	16.5%	101%
COGS	979	1,020	4.2%	250	250	279	11.8%	11.8%	
Gross profit	901	1,155	28.1%	270	281	326	16.1%	20.9%	
Opex	639	739	15.7%	180	185	185	0.1%	2.7%	
Operating profit	263	416	58.4%	89	95	140	47.2%	57.6%	109%
Other income (expenses)	(10)	(38)	282.3%	(13)	(3)	(19)	480.1%	46.0%	
Pretax profit	253	378	49.6%	76	92	122	31.9%	59.6%	109%
Net profit	189	271	43.5%	57	69	78	12.5%	36.9%	104%
<i>Profitability</i>									
Gross margin	48%	53%		52%	53%	54%			
Operating margin	14%	19%		17%	18%	23%			
Pretax margin	13%	17%		15%	17%	20%			
Net margin	10%	12%		11%	13%	13%			

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KLBF - FY15 Result: Audited results came with just minor changes, overall is inline

(KLBF IJ. Rp 1,410. HOLD. TP Rp1,355)

KLBF reported its audited FY15 results. There are just minor differences compare with its unaudited results announced last month. Overall, the result is inline with our expectation.

- Revenues climbed slightly to Rp17.8tn, up +3% yoy, reached 100% of our full year forecast. On quarterly basis, KLBF booked Rp4.7tn revenues in 4Q15, +8% qoq/ +3.2% yoy.
- Gross margin compressed to 45.8% in 4Q15, down by -2.1ppt qoq. FY15 gross margin was down to 48%, -0.8ppt yoy.
- Opex to sales ratio was down to 31.7% in 4Q15. As such, the FY15 opex to sales ratio reached 33.2%, higher by +0.3% yoy.
- As the result, the operating profit grew more strongly by +11.8% qoq, yet still fell -12.4% yoy in 4Q15. However, FY15 operating profit was still lower, fell 4.2% yoy to Rp2.6tn, reaching 99% of our full year forecast.
- KLBF booked net profit of Rp2tn (slightly higher than its unaudited numbers), -3% yoy, in FY15. Inline with our and consensus expectation. **Maintain HOLD.**

	FY14	FY15	% chg	4Q14	3Q15	4Q15	% chg	% chg	FY15F	% FY
	(Rp bn)	(Rp bn)	y-y	(Rp bn)	(Rp bn)	(Rp bn)	q-q	y-y	(Rp bn)	
Revenue	17,369	17,887	3.0	4,610	4,408	4,760	8.0	3.2	17,867	100
COGS	8,893	9,296	4.5	2,265	2,295	2,579	12.4	13.8	9,218	101
Gross profit	8,476	8,592	1.4	2,345	2,113	2,181	3.2	(7.0)	8,648	99
Opex	5,713	5,945	4.1	1,579	1,513	1,510	(0.2)	(4.4)	5,964	100
Operating profit	2,763	2,647	(4.2)	766	600	671	11.8	(12.4)	2,685	99
Pretax profit	2,766	2,721	(1.6)	778	598	705	17.8	(9.4)	2,733	100
Net profit	2,066	2,004	(3.0)	579	436	505	15.8	(12.8)	2,040	98

Margin (%)

Gross margin	48.8	48.0	(0.8)	50.9	47.9	45.8	(2.1)	(5.0)	48.4
Operating margin	15.9	14.8	(1.1)	16.6	13.6	14.1	0.5	(2.5)	15.0
Net margin	11.9	11.2	(0.7)	12.6	9.9	10.6	0.7	(2.0)	11.4
Opex to sales	32.9	33.2	0.3	34.3	34.3	31.7	(2.6)	(2.5)	33.4

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MIKA - FY15 Result: Higher opex in 4Q15, yet overall performance is inline

(MIKA IJ. Rp 2,400. BUY. TP Rp2,580)

- Revenues climbed to Rp2,1tn, up +10% yoy, reached 102% of our full year forecast. On quarterly basis, MIKA booked Rp539bn revenues in 4Q15, +7.7% qoq/ +12.7% yoy.
- Gross margin improved slightly in 4Q15, higher by 0.5ppt to 45.2%. FY15 gross margin expanded 0.98ppt to 45.4%.
- Operating expenses jumped significantly in 4Q15, up +15.2% qoq/+34.6% yoy, owed to the operational of the new Kalideres hospital.
- As such, the operating profit grew more moderately by +4.6% qoq, and fell -6.5% yoy in 4Q15. However, FY15 operating profit was still solid, grew 9.5% yoy to Rp600bn, reaching 101% of our full year forecast.
- MIKA booked net profit of Rp567bn, +9.3% yoy, in FY15. Inline with our and consensus expectation. Maintain BUY.

	FY14	FY15	% chg	4Q14	3Q15	4Q15	% chg	% chg	2015F	%A/F	Cons	%A/F
	(Rp bn)	(Rp bn)	yoy	(Rp bn)	(Rp bn)	(Rp bn)	qoq	yoy	(Rp bn)			
Revenue	1,946	2,141	10.0	478	500	539	7.7	12.7	2,099	102	2,161	99
Costs	1,081	1,168	8.1	253	277	295	6.7	16.8	1,152	101		
Gross profit	865	972	12.5	225	223	243	9.0	8.0	948	103	970	
Opex	317	372	17.5	80	93	107	15.2	34.6	356	105		
Operating profit	548	600	9.5	146	130	136	4.6	(6.5)	592	101	631	95
Pretax profit	669	740	10.5	164	171	167	(2.2)	1.7	790	94	769	96
Net profit	519	567	9.3	113	129	128	(1.1)	12.9	574	99	586	97
Margin (%)												
Gross margin	44.4	45.4	0.98	47.1	44.6	45.2	0.5	(1.9)	45.1			
Operating margin	28.2	28.0	(0.13)	30.4	26.0	25.3	(0.7)	(5.2)	28.2			
Net margin	26.7	26.5	(0.19)	23.7	25.8	23.7	(2.1)	0.1	27.3			

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ACES: FY15 result – Operationally inline

(ACES IJ. Rp 880. HOLD. TP Rp745)

- Ace Hardware Indonesia (ACES) booked Rp588 bn net profits in FY15, which was up by 4.6% yoy from Rp562 bn in FY14. This achievement is exceeding our full year expectation by accounted 107.4% from our forecast.
- However, ACES's topline was slightly below our forecast, amounted Rp4,743 bn in FY15 (+4.4% yoy, -5.9% qoq). Unlike the average seasonality, sales were booked lower in a quarterly basis. The pattern was similar with what happened in 2014, where the company booked the highest sales during the third quarter of the year.
- Margins were relatively stable in all level. Gross margin booked at 47.5% in FY15, as we already expected that gross margin will be normalized in FY15. ACES managed its opex to sales ratio at 33.0%, resulted into stable operating and net margin at 14.5% and 12.4% in FY15.
- We maintain our HOLD recommendation on the company.

Results (Rp bn)	2014	2015	yoy chg, %	4Q14	3Q15	4Q15	qoq chg, %	yoy chg, %	2015F	% Forecast
Gross sales	4,541	4,743	4.4	1,096	1,268	1,193	(5.9)	8.8	5,003	94.8
COGS	2,348	2,489	6.0	523	672	589	(12.4)	12.5	2,674	93.1
Gross profit	2,194	2,254	2.7	573	597	605	1.3	5.5	2,328	96.8
Operating expenses	1,531	1,565	2.3	355	423	363	(14.3)	2.3	1,673	93.6
Operating profit	663	688	3.8	219	173	242	39.5	10.6	656	105.0
Pre-tax profit	692	737	6.4	267	239	287	19.9	7.5	677	108.8
Net profit	562	588	4.6	187	174	195	11.9	4.5	548	107.4
Gross margin	48.3	47.5		52.3	47.0	50.7			46.5	
Opex to sales	33.7	33.0		32.4	33.4	30.4			33.4	
Operating margin	14.6	14.5		19.9	13.7	20.3			13.1	
Net margin	12.4	12.4		17.0	13.7	16.4			11.0	

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MAPI: FY15 result – Profitability remained the challenge

(MAPI IJ. Rp 4,725. BUY. TP Rp4,650)

- Mitra Adiperkasa (MAPI) posted weak FY15 result, with net profit down by 52.8% yoy to Rp37 bn in FY15. This is well below our forecast.
- The top line remained inline with our expectation, sales up by 8.5% yoy and 4.0% qoq to Rp12,833 bn in FY15.
- However, profitability remained the challenge for MAPI during last year, namely: 1) inventory problem which force MAPI to offer price discount to some of their products in the beginning of the year, 2) new regulation on import duty hike, 3) weak country's macroeconomic condition which translate into lower customer purchasing power, and 4) depreciation of IDR.
- Although the margins were relatively maintained until the operating level, the very low bottom line margin is more sensitive to the changes in any expenses. Thus, MAPI only booked 0.3% net margin in FY15.
- We will need to review our number to incorporate this result.

	2014	2015	YoY chg, %	4Q14	3Q15	4Q15	QoQ chg, %	YoY chg, %	2015F	% Forecast
Net revenues	11,822	12,833	8.5	3,158	3,299	3,432	4.0	8.7	12,763	100.5
COGS	6,352	7,050	11.0	1,655	1,822	1,834	0.7	10.8	6,889	102.3
Gross profit	5,470	5,783	5.7	1,503	1,477	1,598	8.2	6.3	5,874	98.5
Operating expense	4,938	5,260	6.5	1,329	1,362	1,380	1.4	3.8	5,320	98.9
Operating profit	531	523	(1.6)	173	115	217	88.7	25.4	553	94.5
Pre-tax profit	198	169	(15.0)	43	(2)	127	n/a	197.0	220	76.6
Net profit	79	37	(52.8)	(32)	(6)	10	n/a	n/a	161	23.2
Margins (%)										
Gross margin	46.3	45.1		47.6	44.8	46.6			46.0	
Opex to sales	41.8	41.0		42.1	41.3	40.2			41.7	
Operating margin	4.5	4.1		5.5	3.5	6.3			4.3	
Net margin	0.7	0.29		(1.0)	(0.2)	0.3			1.3	

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RALS: FY15 result

(RALS IJ. Rp 700. HOLD. TP Rp775)

- Ramayana Lestari Sentosa (RALS) generated Rp336 bn net profits in FY15, which was down by 5.5% yoy, although its higher than our full year forecast thanks to significant amount from interest income and other income (below operating profit).
- On the top line, company booked Rp7,786 bn of sales in FY15, slightly lower compare to its achievement in FY14 – this was inline with our full year forecast. Sales are down by 34.5% in quarterly basis, following its seasonality of booking higher sales during the Ramadhan and Idul Fitri period.
- Margins were relatively stable in all level.
- We maintain our HOLD recommendation with Target Price of Rp775.

Results (Rp bn)	2014	FY15	yoy chg (%)	4Q14	3Q15	4Q15	qoq chg, (%)	yoy chg (%)	2015F	% forecast
Sales	7,942	7,786	(2.0)	1,663	2,628	1,721	(34.5)	3.5	7,636	102.0
COGS	5,894	5,790	(1.8)	1,275	1,914	1,295	(32.3)	1.6	5,668	102.2
Gross profit	2,048	1,996	(2.5)	388	714	426	(40.4)	9.7	1,969	101.4
Operating expenses	1,754	1,762	0.5	425	510	415	(18.7)	(2.4)	1,753	100.6
Operating profit	294	234	(20.6)	(37)	204	11	(94.5)	(130.4)	216	108.2
Pre-tax profit	410	392	(4.4)	14	259	52	(80.0)	275.8	306	128.3
Net profit	356	336	(5.5)	16	214	32	(85.2)	98.0	265	126.8
Gross margin, (%)	25.8	25.6		23.3	27.2	24.7			25.8	
Opex to sales	22.1	22.6		25.6	19.4	24.1			23.0	
Operating margin, (%)	3.7	3.0		(2.2)	7.8	0.6			2.8	
Net margin, (%)	4.5	4.3		1.0	8.1	1.8			3.5	

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MARKET NEWS

JSMR: 10% right issue might be an option (ID)

Jasa Marga (JSMR) plans to sell 10% government stakes to public investors for additional capital should they are not received the State Capital Injection (PMN), 2016. Director of JSMR stated that they have submit the proposal to the Ministry of SOEs. With a 10% rights issue JSMR is targeting proceeds of Rp8tn from the rights issue. However, this plan is still waiting for the decision regarding the PMN. JSMR states, the additional capital required to finance a number of highway projects, among others: Balikpapan, Manado-Bitung, and Pandaan-Malang.

PLN delays 8GW coal-fired power plants, opts for renewable (TJP)

PLN will delay some of its plan to develop coal-fired power plant and turn to renewable energy sources in a bid to comply with government energy policies. Initially, in its strategic plan on electricity production, PLN will build 42GW coal fired power plant within 2016-2025. Ultimately, PLN revised its plan and will develop 34GW instead. Government targeting utilization of renewable energy sources to reach 23% of the total power generation capacity by 2025. By end of 2015, renewable energy utilization only stood at about 8% of total 55MW capacity.

Regulatory, logistics reform needed to propel auto industry (TJP)

Country will find it hard to replace Thailand as the Detroit of Asia unless government overhauls number of regulation to domestic car manufacturing, a business group said. Yohannes Nangoi, newly elected general chairman of the Gaikindo said that improving export would be group priority during leadership, taking over Asia largest car manufacturer would take major effort and reform. Indonesia export around 200,000 CBU cars annually, far from Thailand that reached 1.2 million ton in 2015. Yohannes said that regulation reform and improvement of export facilities at port would be pushed up by Gaikindo.

Transport cost to fell by 3% (BI)

The government is asking transportation rates fell at least 3% due to lower prices of Diesel and Premium, 500 per liter to Rp5,150 / liter from Rp5,650 / liter and Rp6,550 / liter and Rp7,050 / liter, respectively. Premium and diesel price reduction is effective on 1 April-31 September 2016. The Minister Sudirman Said said the government will evaluate the price of gasoline and diesel every 3 months. Responding to the reduction in fuel prices, Ignatius Johan will send a letter to the head of the appropriate regional authority to lower transportation rates of approximately 3%. Pertamina also lowers the price of non-subsidized fuel type Pertamina Plus, Pertamina Dex, Peralite by Rp200 / liter starting on March 30, 2016.



Equity Valuation

Company	Rating	Price (Rp)	Price Target	Mkt Cap Rp Bn	Net profit, Rp bn		EPS (Rp)		Core EPS (Rp)		EPS Growth		PER (x)		EV / EBITDA (x)		PBV (x)		Net Debt		Net Gearing		RC	
					2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016		2015
Danareksa Universe				2,280,065	140,352	150,317	301.4	322.7			-4%	7%	16.2	15.2	19.2	18.4	2.5	2.2	66,785	62,798			16.4	
Auto				298,566	16,781	19,189	307.4	351.5			-15%	14%	17.8	15.6	12.5	11.4	2.2	2.0	49,969	45,539			12.7	
Astra International	HOLD	7,100	6,700	287,433	16,050	18,063	396	446	370	412	-16%	13%	17.9	15.9	13.1	11.9	2.2	2.0	44,058	39,931	34.1	28.0	12.9	
Cajih Tunggal	BUY	710	1,500	2,474	266	633	76	182	140	127	-1%	138%	9.3	3.9	4.5	4.4	0.4	0.4	5,910	5,846	95.0	85.6	4.4	
Selamat Sempurna	BUY	4,745	5,300	6,831	465	493	323	342	332	352	19%	6%	14.7	13.9	8.9	8.2	4.8	3.9	(9)	(238)	net cash	net cash	36.0	
Banks				971,338	73,678	79,865	683.9	741.3			-1%	8%	13.2	12.2			2.3	2.0	-	-			19.0	
BCA	BUY	13,125	15,425	323,597	18,062	19,792	724	794	724	794	8%	10%	18.1	16.5	NA	NA	3.6	3.0	0	0	NA	NA	21.4	
BNI	BUY	5,175	5,850	96,507	7,506	8,596	402	461	402	461	-30%	15%	12.9	11.2	NA	NA	1.5	1.3	0	0	NA	NA	12.1	
BRI	BUY	11,150	13,400	275,061	24,352	25,863	987	1,048	987	1,048	0%	6%	11.3	10.6	NA	NA	2.4	2.0	0	0	NA	NA	23.0	
Bank Tabungan Negara	BUY	1,720	1,450	16,321	1,598	1,364	151	167	151	167	42%	24%	11.1	9.2	NA	NA	1.4	1.2	0	0	NA	NA	17.4	
Bank Mandiri	BUY	10,350	11,450	241,500	20,144	21,413	893	918	893	918	6%	1%	12.0	11.3	NA	NA	2.0	1.8	0	0	NA	NA	18.2	
Bank Tabungan Pensiunan	BUY	2,800	4,500	16,353	2,026	2,237	347	383	347	383	8%	10%	8.1	7.3	NA	NA	1.2	1.0	0	0	NA	NA	15.8	
Cement				137,574	9,876	9,918	508	510			-13%	0%	13.9	13.9	8.7	8.5	2.4	2.2	-10,662	-8,862			17.4	
Indocement	HOLD	19,975	21,000	73,533	4,915	4,919	1,335	1,336	1,305	1,306	-9%	0%	15.0	14.9	9.3	9.0	2.5	2.4	(10,361)	(10,866)	net cash	net cash	16.9	
Semen Indonesia	BUY	10,125	12,300	60,067	4,608	4,648	777	784	761	767	-17%	1%	13.0	12.9	8.3	8.0	2.3	2.1	1,330	1,550	5.1	5.5	18.4	
Semen Baturaja	HOLD	405	350	3,984	354	352	36	36	36	36	8%	-1%	11.3	11.3	5.6	9.1	1.3	1.2	(1,632)	455	net cash	14.0	12.5	
Cigarettes				578,428	15,841	17,080	2,409	2,597			2%	8%	36.5	33.9	23.7	22.1	8.4	7.8	16,999	19,508			27.4	
Ciwang Garam	BUY	62,800	68,800	120,833	5,478	5,760	2,847	2,993	2,847	2,993	5%	22%	22.1	21.0	13.3	12.4	3.3	2.9	18,297	17,703	49.4	42.9	15.6	
HM Sampoerna	HOLD	98,350	105,000	457,595	10,363	11,320	2,338	2,433	2,356	2,447	-1%	4%	42.1	40.4	31.0	28.9	14.3	13.9	(1,698)	1,805	net cash	5.5	45.5	
Construction				117,558	4,375	5,514	100	126			19%	26%	26.9	21.3	12.6	10.5	3.1	2.7	11,562	10,620			13.8	
Jasa Marga	BUY	5,550	8,000	37,740	1,531	1,779	480	614	513	657	19%	28%	11.6	9.0	12.9	11.4	3.0	2.7	11,949	14,205	95.8	103.4	12.8	
Wijaya Karya	HOLD	2,585	2,900	15,896	584	741	95	120	100	126	-5%	27%	27.2	21.5	11.3	9.0	2.9	2.5	1,595	2,217	28.8	35.4	11.1	
Pembangunan Perumahan	BUY	3,840	4,700	18,595	635	857	131	177	138	185	19%	35%	29.3	21.7	11.3	9.2	5.0	3.5	945	1,429	25.6	27.1	20.9	
Adhi Karya	BUY	2,690	2,750	9,579	397	556	111	156	123	168	22%	24%	24.1	17.2	9.2	8.5	2.0	1.8	(1,281)	911	net cash	17.7	12.1	
Wasika Karya	BUY	1,995	2,150	27,077	833	1,069	61	80	61	80	19%	31%	32.5	24.9	17.4	13.0	3.0	2.8	(852)	2,439	net cash	24.9	14.2	
Wilka Beton	HOLD	995	1,350	8,672	396	491	45	56	46	57	32%	24%	21.9	17.6	11.5	9.2	3.5	3.0	(1,293)	(1,610)	net cash	net cash	17.1	
Consumer				489,517	13,566	14,577	493	530			8%	7%	36.1	33.6	21.8	20.4	9.4	8.6	2,950	2,353			27.5	
Indofood CBP	BUY	15,125	13,800	88,193	3,033	3,308	520	567	520	567	16%	9%	29.1	26.7	20.2	19.0	5.6	5.0	(3,798)	(3,861)	net cash	net cash	20.3	
Indofood	BUY	7,250	7,100	63,658	3,704	4,059	422	462	563	610	-5%	10%	17.2	15.7	7.7	7.5	2.3	2.1	5,492	4,475	19.5	14.7	13.8	
Unilever	BUY	42,975	42,000	327,899	6,036	6,624	791	868	791	868	5%	10%	54.3	49.5	38.6	35.1	64.9	60.8	745	1,162	14.7	21.6	123.2	
Nippon Indosat Corpindo	BUY	1,270	1,680	6,428	266	309	53	61	53	61	41%	16%	24.1	20.8	13.7	11.1	5.4	4.4	713	718	59.5	49.6	24.7	
Mandiri	BUY	16,600	21,170	13,338	526	276	2,618	1,375	279	1,373	202%	-47%	6.3	12.1	7.0	6.1	2.0	1.9	(202)	(141)	net cash	net cash	35.7	
Healthcare				116,479	2,964	3,341	210	260			19%	24%	39.3	34.9	24.0	20.6	6.7	6.0	-3,721	-3,613			18.6	
Kalbe Farma	HOLD	1,410	1,355	66,094	2,040	2,274	44	49	43	49	-1%	12%	32.4	29.1	21.2	18.4	6.4	5.7	(1,785)	(2,100)	net cash	net cash	20.6	
Kimia Farma	HOLD	1,275	1,130	7,081	258	287	46	52	42	47	10%	11%	27.5	24.7	18.4	16.1	3.7	3.3	121	426	6.3	19.9	14.2	
Siloam Hospital	HOLD	7,250	10,500	8,382	93	134	80	116	84	127	49%	44%	90.1	62.7	16.4	12.7	4.8	4.5	281	534	16.1	28.4	5.5	
Mitra Keluarga	BUY	2,400	2,580	34,922	574	646	39	44	39	43	11%	13%	60.9	54.1	44.4	38.3	10.5	9.5	(2,337)	(2,474)	net cash	net cash	22.4	
Heavy Equipment				58,444	6,331	6,015	1,385	1,316			14%	-5%	9.2	9.7	3.8	3.5	1.4	1.3	-8,513	-13,469			15.9	
Hexindo Adiperkasa	HOLD	1,635	3,650	1,373	220	260	252	309	238	273	13%	16%	6.3	5.3	2.8	1.9	0.5	0.5	(194)	(447)	net cash	net cash	8.0	
United Tractors	HOLD	15,300	18,500	57,071	6,111	5,756	1,638	1,543	1,638	1,543	14%	-6%	9.3	9.9	3.8	3.5	1.5	1.3	(8,318)	(13,022)	net cash	net cash	16.5	
Mining				80,254	5,809	3,823	73	48			-28%	-34%	13.8	21.0	4.4	5.2	0.7	0.7	8,432	5,651			5.8	
Adaro Energy	BUY	665	750	21,271	2,249	1,577	70	49	70	49	9%	-30%	9.5	13.5	3.6	3.8	0.6	0.6	12,330	9,655	32.0	25.0	6.4	
Timah	HOLD	755	570	5,623	101	180	14	24	14	24	-84%	78%	55.7	31.2	9.6	7.9	1.1	1.0	1,851	1,221	34.7	22.3	1.8	
Yale Indonesia	BUY	1,770	2,000	17,587	664	222	67	22	67	22	-67%	-67%	26.5	79.1	5.7	6.9	0.7	0.7	(640)	(2,381)	net cash	net cash	3.0	
Aneka Tambang	BUY	465	472	11,174	(706)	(293)	(74)	(31)	(74)	(31)	-5%	-59%	(6.3)	(15.1)	17.5	15.4	0.7	0.7	2,223	3,734	13.3	22.7	-4.9	
Bukit Asam	BUY	6,425	7,800	14,804	1,970	1,445	906	665	906	665	-2%	-27%	7.1	9.7	5.0	6.7	1.5	1.4	(1,374)	(370)	net cash	net cash	21.4	
Indo Tambangraya Megah	HOLD	6,575	7,300	7,429	1,504	814	1,331	720	1,331	720	-28%	-46%	4.9	9.1	1.2	1.7	0.6	0.6	(3,400)	(3,739)	net cash	net cash	14.1	
Harum Energy	HOLD	875	790	2,366	28	(123)	(10)	(45)	(10)	(45)	471%	-540%	84.9	(19.3)	-	1.1	1.4	0.6	0.6	(2,559)	(2,469)	net cash	net cash	0.8
Property				98,878	8,896	10,205	87	99			-10%	15%	11.1	9.7	9.8	8.6	2.0	1.7	11,956	11,229			18.8	

COVERAGE PERFORMANCE

LEADERS

	Code	Price as on		Chg, %	w-w, %	m-m, %	YTD, %	Rating
		30-Mar-2016	29-Mar-2016					
Kalbe Farma	KLBF	1,410	1,290	9.3	8.5	8.5	6.8	HOLD
Indofood	INDF	7,250	6,925	4.7	2.5	2.8	40.1	BUY
Nippon Indosari Corpindo	ROTI	1,270	1,220	4.1	1.2	3.3	0.4	BUY
Hexindo Adiperkasa	HEXA	1,635	1,580	3.5	14.7	35.1	32.4	HOLD
Timah	TINS	755	730	3.4	(1.3)	32.5	49.5	HOLD
Mandom	TCID	16,600	16,100	3.1	3.4	5.4	0.6	BUY
Gudang Garam	GGRM	62,800	61,000	3.0	5.9	(1.4)	14.2	BUY
XL Axiata	EXCL	4,000	3,890	2.8	(2.3)	2.6	9.6	BUY
Salim Ivomas Pratama	SIMP	451	440	2.5	8.4	24.9	35.8	BUY
Bank Negara Indonesia	BBNI	5,175	5,050	2.5	(3.7)	2.0	3.7	BUY

Sources: Bloomberg

LAGGARD

	Code	Price as on		Chg, %	w-w, %	m-m, %	YTD, %	Rating
		30-Mar-2016	29-Mar-2016					
Summarecon	SMRA	1,590	1,690	(5.9)	(7.0)	(0.3)	(3.6)	BUY
Lippo Karawaci	LPKR	1,055	1,085	(2.8)	(8.3)	2.9	1.9	BUY
Metropolitan Land	MTLA	285	290	(1.7)	-	43.9	32.6	BUY
Siloam Hospital	SILO	7,250	7,375	(1.7)	(5.8)	(8.5)	(26.0)	HOLD
Semen Indonesia	SMGR	10,125	10,250	(1.2)	(4.9)	(1.2)	(11.2)	BUY
HM Sampoerna	HMSP	98,350	99,500	(1.2)	0.9	(10.6)	4.6	HOLD
Harum Energy	HRUM	875	885	(1.1)	1.2	23.2	29.6	HOLD
Pembangunan Perumahan	PTPP	3,840	3,875	(0.9)	(0.9)	4.1	(0.9)	BUY
Ramayana	RALS	700	705	(0.7)	(3.4)	(9.1)	8.5	HOLD
Perusahaan Gas Negara	PGAS	2,590	2,605	(0.6)	(2.4)	(1.7)	(5.6)	BUY

Sources: Bloomberg

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